



# WAYS AND MEANS

## **H.R. 6099 - *Fighting Fraud to Protect Care for Seniors Act of 2018***

### **Section-by-Section**

**Section 1. Short Title:** *The Medicare Common Access Card Act of 2018.*

**Section 2. Medicare Smart Card Pilot Program.**

This section contains the following provisions:

**Implementation:**

Not later than 36 months after the date of enactment, the Secretary shall establish a pilot program to evaluate smart card technology as a cost-effective fraud tool in Medicare.

*Smart Card Technology Defined:* A beneficiary smart card is defined as a machine-readable and tamper-resistant card that includes an embedded integrated circuit chip with a secure micro-controller, as defined by the National Institute of Standards and Technology, that enables the verification and secure, electronic authentication of a beneficiary's identity at the point of service through a combination of the smart card and a personal identification number known by or associated with the beneficiary.

The card reader technology must enable a supplier and provider to authenticate the identity of a Medicare beneficiary through presentation of a smart card. The authentication may occur through the use of a claim form modifier or in another manner specified by the Secretary.

*Program Design Elements:* The Department of Health and Human Services Office of Inspector General (HHS OIG) and the Secretary are required to consult on the selection of the area and of the supplier and provider types. The Secretary is required to select at least three geographic areas; is limited to no more than 2,000 providers and suppliers; and must take into account the risk of fraud, waste and abuse when choosing a provider or supplier. Additionally, the pilot program must be conducted for three years.

*Supplier and Provider Hardship Exemption:* Providers and suppliers may be exempted from the pilot program if the provider or supplier does not have access to card reader technology, does not have sufficient internet access, or has a low volume of Medicare claims.

*Smart Card and Smart Card Reader Issuance:* At the request of a supplier or provider, the Secretary is required to provide, at no cost, smart card hardware and software necessary to participate in the pilot program. The Secretary is required to issue smart cards to beneficiaries residing in the geographic area in which the pilot is operating, as well as information on the operation of the pilot program, including privacy protections. If lost, beneficiary smart cards shall be replaced at no cost to the beneficiary.

*Access to Services Outside of the Pilot Program:* Nothing in this bill prevents a beneficiary from receiving services from a non-participating suppliers or providers or prevents a non-participating supplier or provider from submitting Medicare claims without the use of the smart card technology to beneficiaries issued smart cards. Further, this bill does not prevent a participating supplier or provider from providing services to non-participating beneficiaries. If a beneficiary does not present a smart card at the point of service to a participating provider or supplier, the beneficiary cannot be denied access to care, nor is the provider or supplier prohibited from submitting a claim for the care provided.

*Private Sector Implementation:* The Secretary is required to operate the pilot program through a competitive procurement process. The Secretary is required to ensure that the pilot program complies with existing privacy protections.

*Mandatory Participation:* Providers and suppliers in the geographic areas chosen for the pilot program implementation are required to participate if not exempted under the three hardship exemptions contained in the legislation. Transaction, utilization, or other fees are prohibited from being imposed on Medicare beneficiaries or participating suppliers and providers.

*Stakeholder Input:* The Secretary is required to convene a stakeholder panel consisting of providers, suppliers, claims-process contractors, and beneficiaries prior to the implementation of the pilot.

### **Reports to Congress**

Two reports are required under this section: (1) an interim report on performance of the pilot is due to Congress no later than two years after the pilot program is implemented and (2) a final report on the performance of the pilot is required to be submitted to Congress no later than 18 months after the date of the completion of the pilot program.